

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: _____
 (S) Publish Date: 4/11/03
 Dept. Affected: Health & Social Services
 BRU Medical Assistance
 Component Medicaid Services

Revision Date/Time (Note if correction): _____
 Title SPECIAL MEDICAL PAROLE

 Sponsor SENATE (FIN)
 Requester SENATE (STA)

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	280.8	617.7	1,019.2	1,495.0	2,055.7	2,713.6
Miscellaneous						
TOTAL OPERATING	280.8	617.7	1,019.2	1,495.0	2,055.7	2,713.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	168.5	370.6	611.5	897.0	1,233.4	1,628.1
1003 GF Match	112.3	247.1	407.7	598.0	822.3	1,085.5
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
TOTAL	280.8	617.7	1,019.2	1,495.0	2,055.7	2,713.6

Estimate of any current year (FY2003) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill gives the Department of Corrections greater discretion to grant special medical parole to "severely medically disabled" prisoners whose medical or cognitive condition, including irreversible dementia, substantially reduces, rather than substantially eliminates, the prisoner's ability to re-offend. This bill is seen as one way to reduce Department of Correction costs by paroling prisoners so that they can receive health care services in a more cost-effective and appropriate manner.

Prepared by: Kevin Henderson
 Division Medical Assistance
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone 465-5821
 Date/Time 04/02/2003
 Date 04/04/2003

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ANALYSIS CONTINUATION
ASSUMPTIONS

Our assumptions are based upon the list of 13 current inmates who the Department of Corrections identified as potential medical parolees under this bill. We reviewed the age and medical condition of each and estimated that 9 of the 13 are likely to be categorically eligible for Medicaid, four would not. We do not have income or resource information for these inmates, but we are assuming that because of their lengthy incarceration they would have very little income or resources available to them upon release. We assumed all 9 would be financially eligible for Medicaid. The other four inmates are not likely eligible for Medicaid because the medical condition described (e.g., cancer) is not likely to meet the federal standard for disability.

The anticipated cost for each parolee is based upon the following Medicaid categories and the average annual cost of Medicaid recipients in those categories:

Parolees	Category	FY02 average annual cost
4	Disabled	\$11,408
2	Disabled/HCB	\$50,381
2	Old Age	\$10,869
1	Nursing Home	\$63,954

Medicaid expenditures are estimated to grow at a rate of 10% per year.

We believe the number and medical condition of the potential parolees is representative of what would happen each year, therefore, we assume a linear growth of 9 new Medicaid recipients each year (i.e., a total of 9 in '04, 18 in '05, 27 in '06, etc.).

Federal Medicaid match rate is 60%.